

## Chapter 406

**(House Bill 1554)**

AN ACT concerning

**Child Support – Payment Incentive Program Expansion Act of 2018**

FOR the purpose of requiring the Child Support Administration to develop an electronic application process for participation in the Child Support Payment Incentive Program; requiring the Administration to include certain payments made by a child support obligor when calculating certain uninterrupted payments made under the Program; authorizing the Administration to develop an alternative schedule for a certain obligor; requiring the Administration to provide an obligor who has become unemployed through no fault of the obligor with certain employment information; prohibiting the Administration from penalizing the obligor for a certain period of time under certain circumstances; providing for the calculation of uninterrupted court-ordered payments on reemployment of an obligor; requiring the Administration to update public awareness programs for the Program and focus outreach efforts on jurisdictions with low participation in the Program; requiring the Administration to develop, maintain, and update an internal training program to ensure that staff at the State and local level are aware of the Program and its benefits; and generally relating to the Child Support Payment Incentive Program.

BY repealing and reenacting, with amendments,  
Article – Family Law  
Section 10–112.1  
Annotated Code of Maryland  
(2012 Replacement Volume and 2017 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Family Law**

10–112.1.

(a) In this section, “Program” means the Child Support Payment Incentive Program.

(b) **(1)** By June 1, 2008, the Administration shall develop a statewide Child Support Payment Incentive Program to encourage payment of child support in cases in which an assignment has been made under § 5–312(b)(2) of the Human Services Article by entering into agreements with child support obligors in exchange for reductions in the amount of arrearages as authorized under § 10–112 of this subtitle.

**(2) THE ADMINISTRATION SHALL DEVELOP AN ELECTRONIC APPLICATION PROCESS FOR PARTICIPATION IN THE PROGRAM.**

(c) (1) (i) To participate in the Program, the obligor's income shall meet the criteria described in § 10–112(b)(1)(iii) of this subtitle.

(ii) For purposes of determining the applicable federal poverty level for a Program applicant, the obligor's household shall include the children for whom the obligor is required to pay child support under a child support order that is the subject of the application to the Program.

(2) (i) In determining whether to authorize an obligor to participate in the Program, the Administration shall consider the following factors:

1. whether the obligor has a current ability to pay;
2. whether the reduction of arrearages will encourage the obligor's economic stability; and
3. whether the agreement serves the best interests of the children whom the obligor is required to support.

(ii) If any of the factors specified in subparagraph (i) of this paragraph are met, there is a presumption that it is in the best interest of the State to authorize an obligor to participate in the Program.

(d) **(1) [Under] EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, UNDER** the Program, the Administration shall agree to reduce the arrearages in accordance with the following schedule:

**[(1)] (I)** after 12 months of uninterrupted court-ordered payments, the arrearages shall be reduced by 50% of the amount of arrearages owed before the agreement; and

**[(2)] (II)** after 24 months of uninterrupted court-ordered payments, the arrearages balance shall be reduced to zero in full settlement of the arrearages.

**(2) IN DETERMINING THE PERIOD OF UNINTERRUPTED PAYMENTS MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE ADMINISTRATION SHALL INCLUDE ANY UNINTERRUPTED COURT-ORDERED PAYMENTS MADE IMMEDIATELY BEFORE THE OBLIGOR'S PARTICIPATION IN THE PROGRAM.**

**(3) THE ADMINISTRATION MAY DEVELOP AN ALTERNATIVE SCHEDULE FOR OBLIGORS WHO ARE EMPLOYED SEASONALLY.**

(e) The Administration shall distribute any child support arrearages received under this section in accordance with federal law.

(f) (1) Except as provided in paragraph (2) of this subsection, for the duration of an agreement under subsection (d) of this section, all child support enforcement actions shall be suspended, unless the suspension would be in conflict with federal law.

(2) For the duration of an agreement under subsection (d) of this section, any earnings withholding shall continue in an amount consistent with the agreement.

(g) (1) When the Administration enters into a Program agreement with an obligor, the Administration shall file a copy of the agreement with the court within 30 days after the agreement is executed.

(2) If an obligor satisfies the requirements for a reduction in arrearages under the schedule specified in subsection (d) of this section, the Administration shall:

(i) file a notice of reduction of arrearages with the court; and

(ii) provide a copy of the notice to the obligor that reflects the adjusted amount of any arrearages that the obligor owes.

(h) A Program agreement is effective without the necessity of judicial approval.

(i) (1) An agreement under this section shall be terminated if the obligor fails to make payments equal to two times the monthly support obligation amount.

(2) An obligor who has been terminated from a Program agreement more than two times is not eligible for future participation in the Program.

(j) (1) The Administration shall develop an application form for obligors to request participation in the Program.

(2) Within 60 days after receipt of a request from an obligor, the Administration shall provide a written decision to the obligor.

(3) (i) If the Administration does not authorize participation of an obligor in the Program, the Administration shall notify the obligor of the decision and of the obligor's right to appeal the decision to the Office of Administrative Hearings.

(ii) An appeal under this subsection shall be conducted in accordance with Title 10, Subtitle 2 of the State Government Article.

(k) (1) If an unemployed obligor applies to participate in the Program, the Administration shall give the obligor a list of referrals to programs that prepare individuals for entry into the workforce.

**(2) IF AN OBLIGOR BECOMES UNEMPLOYED THROUGH NO FAULT OF THE OBLIGOR, THE ADMINISTRATION:**

**(I) SHALL GIVE THE OBLIGOR A LIST OF REFERRALS FOR SECURING REEMPLOYMENT; AND**

**(II) FOR UP TO 6 MONTHS OF UNEMPLOYMENT, MAY NOT PENALIZE THE OBLIGOR FOR PAYMENTS MISSED DUE TO UNEMPLOYMENT AND ON REEMPLOYMENT, UNINTERRUPTED PAYMENTS SHALL BE ADDED TO THE PAYMENTS MADE BEFORE THE OBLIGOR'S UNEMPLOYMENT FOR PURPOSES OF DETERMINING THE PERIOD OF UNINTERRUPTED PAYMENTS UNDER SUBSECTION (D)(1) OF THIS SECTION.**

**(l) The Administration and each local support enforcement office shall jointly develop AND CONTINUE TO UPDATE a public awareness campaign to publicize statewide the availability of the Program and the manner of applying to participate in the Program, WITH A FOCUS ON THOSE JURISDICTIONS WITH A LOW RATE OF PARTICIPATION IN THE PROGRAM.**

**(M) THE ADMINISTRATION SHALL DEVELOP, MAINTAIN, AND CONTINUOUSLY UPDATE TRAINING AND AWARENESS MATERIALS FOR USE WITHIN THE ADMINISTRATION AND LOCAL SUPPORT ENFORCEMENT OFFICES TO ENSURE THAT STAFF MEMBERS ARE AWARE OF THE PROGRAM AND ITS BENEFITS.**

**[(m)] (N) The Secretary of Human Services may adopt regulations to implement this section.**

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.**

**Approved by the Governor, May 8, 2018.**